GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

LEAVE TRAVEL CONCESSION – Special cash package equivalent in lieu of Leave Travel Concession Fare for All India Service Officers of A.P. Cadre and CCS Officers working on deputation to Andhra Pradesh State – Intimation – Orders – Issued.

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F.No.12(2)/2020-EII(A)
Ministry of Finance
Department of Expenditure
EII(A) Branch

North Block, New Delhi
12th October, 2020

Office Memorandum

Sub: Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21.

In view of Covid-19 pandemic and resultant nationwide lockdown as well as disruption of transport and hospitality sector, as also the need for observing social distancing, a number of Central Government employees are not in a position to avail themselves of LTC for travel to any place in India or their Hometowns in the current Block of 2018-21.

2. With a view to compensate and incentivise consumption by Central Government employees thereby giving a boost to consumption expenditure, it has been decided that cash equivalent of LTC, comprising Leave Encashment and LTC fare of the entitled LTC may be paid by way of reimbursement, if an employee opts for this in lieu of one LTC in the Block of 2018-21 subject to the following conditions:-

a) The employee spends the money of a larger sum than the entitlement on account of LTC on actual expenditure.

b) Cash equivalent of full leave encashment will be allowed, provided the employee spends an equal sum. This will be counted towards the number of leave encashment on LTC available to an employee.

c) The deemed LTC fare for this purpose is given below :-

Category of employees	**Deemed LTC fare per person (Round Trip)**
Employees who are entitled to business class of airfare	Rs. 36,000
Employees who are entitled to economy class of airfare	Rs. 20,000
Employees who are entitled to Rail fare of any class	Rs. 6,000

d) The cash equivalent may be allowed if the employee spends a sum **3 times** of the value of the fare given above.

Contd...2/-

e) The amount both on account of leave encashment and fare shall be admissible if the employee spends (i) an amount equal to the value of leave encashment and; (ii) an amount 3 times of the cash equivalent of deemed fare, as given above on purchase of such items / availing of such services which carry a GST rate of not less than 12% from GST registered vendors / service providers through digital mode and obtains a voucher indicating the GST number and the amount of GST paid.

f) The admissible payment shall be restricted to the full value of the package [leave encashment as admissible for LTC and deemed fare] or depending upon the spending as per example given at **Annexure-A.**

g) While TDS is applicable in the case of leave encashment, since the cash reimbursement of LTC fare is in lieu of deemed actual travel, the same shall be allowed exemption on the lines of existing income-tax exemption available to LTC fare. The legislative amendment to the provisions of the Income-Tax Act, 1961 for this purpose shall be proposed in the due course. Hence, TDS shall not be required to be deducted on the reimbursement of deemed LTC fare.

3. Head of the Departments / DDOs may make reimbursement under this package as per the details given above on receipt of invoices of purchases made / services availed during the period post the issuance of this order from the employees who are desirous to avail this package. **It may be noted that in order to avail this package an employee should opt for both leave encashment and LTC fare.**

4. An amount upto 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of the employee which shall be settled based on production of receipts towards purchase and availing of goods and services as given in Para 2(e). The claims under this package (with or without advance) are to be made and settled within the current financial year. Non-utilization / under-utilization of advance is to be accounted for by the DDOs in accordance with the extant provisions relating to LTC advance i.e. immediate recovery of full advance in the case of non-utilisation and recovery of unutilized portion of the advance with penal interest.

5. These orders will take effect from the date of issuance of this Office Memorandum and will be in force during the current financial year till 31st March, 2021.

6. All the Ministries/Departments are requested to bring the contents of this OM to the notice of all its Attached and Subordinate offices for their information.

Hindi version of this Office Memorandum will follow.

(B.K.Manthan)
Deputy Secretary to the Govt. of India

To

- All the Ministries/ Departments of the Government of India.

Annexure-A

Example:

Pay of an employee: Rs 1,38, 500 and has family of 4 eligible for economy class air travel.

Leave Encashment:= $\frac{(1,38,500 \times 1.17) \times 10}{30}$ = Rs. 54,015

Fare Value : Rs. 20,000 x 4 = Rs. 80,000

Total Value = Rs. 1,34,015

Amount to be spent for full cash benefit = Rs. 54,015 + 2,40,000*= Rs. 2,94,015

(a)Share of Leave Encashment in total = $\frac{54,015 \text{ X } 100}{2,94,015}$ = 18%

(b) Share of Fare in total = $\frac{80,000 \text{ X } 100}{2,94,015}$ = 27%

* 3 times of notional airfare (80,000 x 3 = 2,40,000)

- Thus, if an employee spends Rs. 2,94,015 or above, he will be allowed cash amount of Rs. 1,34,015.

- However, if the employee spends Rs. 2,40,000 only, then he may be allowed 18 % on account of Leave Encashment (Rs. 43,200) and 27% on account of fare value (Rs. 64,800). The total amount payable shall be Rs. 1,08,000.

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No. 12(2)/2020-E.II(A)
Government of India
Ministry of Finance
Department of Expenditure

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North Block, New Delhi
Dated 10th November, 2020

OFFICE MEMORANDUM

Subject: Clarification regarding queries being received in respect of Special cash package equivalent of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 (**FAQ No. 2**).

The undersigned is directed to say that this Department has been receiving a number of queries relating to Special Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 announced by the Government on 12th October, 2020. A set of frequently asked questions have already been clarified vide this Department's O.M. of even No. dated 20th October, 2020 and is available on this Department's website viz. doe.gov.in.

2. A further set of frequently asked questions have been clarified and are attached herewith at Annexure-'A'.

3. This issues with the approval of Competent Authority.

(S. Naganathan)
Deputy Secretary, E.II(A)

All Ministries/Departments of the Government of India

FAQ No. 2

FAQ on LTC Cash Voucher Scheme

S.No.	Queries	Reply
1	An employee whose workplace and hometown are same and is eligible for only one all India LTC in one Block Year. If that LTC is exhausted, will he be eligible for this scheme?	No. The scheme is in lieu of one LTC available during the block year.
2	If an employee does not have enough leave or less than the minimum balance of 40 days which is required in his leave account and avail leave encashment for LTC, whether he will be eligible for leave encashment in this scheme?	Leave encashment is to be in accordance with LTC Rules. The employee can however avail the benefit of scheme without the leave encashment if such encashment is not available.
3	If an employee has already availed hometown LTC(only for self) for 2018-19 along with leave encashment, can he now claim LTC cash voucher scheme with LTC for self from block year 2020-21 and for remaining family members from block 2018-19?	Yes. He can claim leave encashment as per the scheme provided it does not exceed the maximum limit of 60 days eligible for encashment.
4	If both husband and wife are working in the central government, if one is availing LTC cash voucher scheme for self and spouse and also taking LTC leave encashment, then can the spouse avail LTC leave encashment separately?	Yes
5	If an employee avails only deemed LTC fare without leave encashment, and spends less than or equal to three times of the deemed fare entitlement, how much reimbursement will he get?	Reimbursement will be on pro-rata basis.
6	Whether purchase of goods/services on loan/EMI, will be covered under this scheme?	Purchase of any goods or services which attract GST of 12% and above qualify for reimbursement under this scheme. Purchases on EMI basis are also permissible. The purchase should have been effected after the issue of the order i.e. 12.10.2020 and should have an invoice.

7	For those officials having three Hometown LTCs and one all India LTC, can they avail special cash package for year 2020 in 2021(upto 31.03.2021) and avail LTC for 2021 also in 2021?	The scheme is valid up to 31.3.2021 and is in lieu of the available LTC. An official may avail LTC for 2021 in 2021 provided the same has not been foregone in lieu of the benefits of the said scheme.
8	If a fresh recruit who is governed by LTC Rules for New Recruits is in his 8th year after recruitment opts for this scheme, can he submit bills having date of January-March 2021?	Yes, but one block year of LTC/ or one LTC to be foregone to avail the benefits of the Special Scheme.
9	Since the fresh recruits are not allocated block year, can they avail this scheme?	Yes
10	Can the payment be made by cheque /DD / Banker's Cheque/ NEFT/ RTGS?	Yes
11	If a defence employee wants to buy a car from defence canteen, attracting only 14% GST as against 28% GST in the market, can he avail this scheme?	As per scheme Goods & Services attracting GST of 12% or more can be purchased.
12	If an employee has already exhausted 60 days of Leave Encashment, can he further avail 10 days Leave Encashment?	No. He can avail only deemed fare value.
13	If an employee is availing Cash scheme against year 2018-19(extended till 31.12.2020), can he submit bills from January, 2021 to March, 2021?	Yes, provided the transactions occurred on or after 12.10.2020 and bills are submitted before 31.03.2021.
14	If a child is less than 5 year old then he is not eligible for rail fare, will he be counted as a dependent for this scheme?	Yes. Provided the child is eligible as a dependent in accordance with LTC Rules.
15	Is this scheme applicable to the Autonomous Bodies?	Autonomous Bodies can adopt the scheme provided they are already implementing LTC scheme similar to the Central Government's Scheme, before 12.10.2020.
16	Whether any advance will be given like LTC advance?	Please refer to para 4 of Ministry of Finance, Department of Expenditure OM No. 12(2)/20/E-IIA dated 12.10.2020. It has been stated that an amount up to 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of employee.

17	Whether we can purchase different items under this scheme like we purchase washing machine, mobile, AC or not?	Yes. An individual can purchase different items which attract GST of 12% and more. The payment should be made through digital mode.
18	I availed home LTC in 2019. What is my eligibility position for LTC cash voucher scheme?	This scheme is for the LTC block of 2018-21. Normally, a block contains two LTC fare [home town and anywhere in India]. If one has been availed and the other remaining, the same can be utilized for this purpose. Any unutilized LTC of the block of 2018-21 is eligible.
19	How spending of 3 to 4 times on purchasing of products will be tracked? Will purchase made online from e-commerce website be acceptable?	Any purchase with digital mode is to be supported by invoice. Based on production of invoice the spending is calculated. The intention of this scheme is to encourage every mode of purchase. It is for the employee to choose a suitable digital mode.
20	I purchased certain items after 12.10.2020 but before formally exercising my option. Can it be counted for reimbursement?	All eligible purchases on or after 12.10.2020 and before 31.3.2021 can be counted.
21	Whether the advance taken under the scheme is to be settled within 30 days of disbursal of advance as stipulated under LTC rules. Can receipt be in the name of any dependent?	The Special Cash Package Scheme in lieu of one LTC is to compensate and incentivise consumption by Government Employees and the benefits can be availed up to 31.03.2021. Para 4 of O.M. dated 12.10.2020 provides for advance to Government employees in lieu of LTC fare and Leave encashment. As this is a Special Cash Package, the rules relating to advance taken under LTC are not applicable in the present scheme. Accordingly it is clarified that: (i) The advance taken under the scheme shall be settled on or before 31st March 2021, and (ii) the invoices of the goods and services purchased as per the scheme may be in the name of spouse or any family member who are eligible for LTC Fare as declared in the Service records.

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